

Message Text

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64

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 ISO-00 DODE-00 NSAE-00

RSC-01 TRSE-00 AEC-11 CIAE-00 COME-00 DOTE-00 SP-03

AID-20 NSC-07 CIEP-02 SS-20 STR-08 OMB-01 CEA-02

FRB-02 INR-10 XMB-07 OPIC-12 LAB-06 SIL-01 PA-04

USIA-15 PRS-01 DRC-01 /197 W
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R 201442Z JUN 74

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1438
INFO AMEMBASSY ATHENS
AMEMBASSY MADRID
AMEMBASSY PRETORIA
AMEMBASSY SANTIAGO

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DEPARTMENT PASS EXIM AND TREASURY

E.O. 11652: N/A

TAGS: EFIN, SP, CI, GR, SF, UK

SUBJECT: SECRETARY OF STATE FOR TRADE DENIES INTER-
FERENCE IN NON-MILITARY EXPORT DEALS

REF: LONDON 7323

1. IN ARTICLE ON JUNE 19, "FINANCIAL TIMES" SAID PETER
SHORE, SECRETARY OF STATE FOR TRADE, AGAIN ASSERTED HE
IS NOT RPT NOT APPLYING ANY FORM OF POLITICAL VETO TO
NON-MILITARY CONTRACTS BETWEEN BRITISH AND RIGHT-WING
OVERSEAS GOVERNMENTS, I.E., CHILE, SPAIN, GREECE AND
SOUTH AFRICA. DENIAL WAS MADE IN HOUSE OF COMMONS AND
IN LETTER TO THE ASSOCIATION OF BRITISH CHAMBERS OF
COMMERCE AND FOLLOWED ON SIMILAR STATEMENTS MADE BY
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SHORE IN PARLIAMENT (REFTEL).

2. SAME ARTICLE, AFTER DISCUSSING RATING SYSTEM OF BRITISH EXPORT CREDITS AND GUARANTEE DEPARTMENT (ECGD), GOES ON TO SAY THAT IN THE CASE OF CHILE, THAT COUNTRY HAS NEVER BEEN OFF SHORT-TERM CREDIT COVER BUT BECAUSE IT IS IN A DEBT RESCHEDULING SITUATION, COVER FOR MEDIUM AND LONG-TERM FINANCING IS NOT AVAILABLE FROM ECGD. THE FRIGATES DEAL, ACCORDING TO "FINANCIAL TIMES", WAS CARRIED BY THE ECGD ON A "NATIONAL INTERESTS" RATHER THAN ON COMMERCIAL ACCOUNT AS IS GENERAL WITH ARMS DEALS. THE REASON BRITISH SMELTER CORPORATION REQUEST FOR INVESTMENT COVER IN CHILE WAS TURNED DOWN, THE "FINANCIAL TIMES" SAID, WAS ON THE GROUNDS THAT THE RISK WAS TOO GREAT.

3. COMMENT: SHORE LETTER AND LATEST STATEMENT IN HOUSE OF COMMONS ON JUNE 18 CLARIFY HIS EARLIER ASSURANCES TO HOUSE THAT AN ARTICLE IN THE "ECONOMIST" CLAIMING HE HAD TOLD ECGD TO PULL OUT OF CERTAIN DEALS WITH SPAIN, CHILE, GREECE AND SOUTH AFRICA, WAS UNTRUE (REFTEL). INDUSTRY AND SOME CIVIL SERVANTS REMAINED APPREHENSIVE AFTER THIS STATEMENT AS THEY FEARED SHORE WOULD EXPAND EMBARGO TO DETRIMENT OF BRITISH EXPORTS.

ANNENBERG

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Message Attributes

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Disposition Approved on Date:
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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